

STATE OF INDIANA

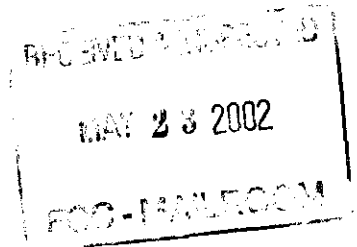


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INDIANA UTILITY REGULATORY COMMISSION
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May 8, 2002



Irene Flannery
Vice President
High Cost and Low Income Division
Universal Service Administrative Company
2120 L Street, N.W. - Suite # 600
Washington D.C. 20037

Magalie Roman Salas
Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW, Room TW-204B
Washington, D.C. 20554

Re: Disaggregation Elections of Rural Indiana Carriers pursuant to
the FCC's Orders in CC Docket Nos. 96-45 and 00-256

Dear Ms. Flannery and Ms. Salas:

The purpose of this letter is to inform you of the disaggregation elections of rural Indiana carriers who previously were certified by the Indiana Utility Regulatory Commission ("IURC") to receive federal high-cost loop support for the calendar year 2002.

Only one rural carrier, Northwestern Indiana Telephone Company ("NITCO"), chose to develop an original disaggregation plan (Path 2). The IURC approved NITCO's Path 2 plan in an Order issued on May 8, 2002 in Cause No. 42067-DEL-38. A copy of that Order is enclosed with this letter.

Three rural Indiana carriers elected Path 3, and thirty-three rural carriers elected Path 1. The IURC issued an Order on May 8, 2002 in Cause No. 42067 summarizing the elections of all Indiana rural carriers. A copy of that Order is enclosed with this letter. Attachment A to that Order is a list indicating the elections of all rural Indiana carriers, which you may find useful.

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If you have any questions, or if the IURC can be of further assistance to you, please call me at (317) 232-4723.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph M. Sutherland", with a long horizontal flourish extending to the right.

Joseph M. Sutherland
Secretary to the Commission

Encl: IURC Order in Cause No. 42067-DEL-38, dated May 8, 2002.
IURC Order in Cause No. 42067, dated May 8, 2002

cc: All rural Indiana ILECs
Office of Utility Consumer Counselor

~~ALL PAGES TO BE FILED~~

STATE OF INDIANA
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INDIANA UTILITY REGULATORY COMMISSION - MAIL ROOM

RECEIVED & INDEXED

MAY 23 2002

IN THE MATTER OF THE COMMISSION'S)
CERTIFICATION OF RURAL CARRIERS')
ELIGIBILITY TO RECEIVE FEDERAL HIGH-COST)
UNIVERSAL SUPPORT, PURSUANT TO THE)
TELECOMMUNICATIONS ACT OF 1996, THE)
FCC'S MAY 23, 2001 ORDER, AND OTHER)
RELATED FCC ORDERS)

CAUSE NO. 42067

APPROVED:

MAY 08 2002

BY THE COMMISSION:

Camie J. Swanson-Hull, Commissioner

Gregory S. Colton, Administrative Law Judge

The Federal Communications Commission ("FCC"), in its Order of May 23, 2001 in CC Docket Nos. 96-45 and 00-256 (the "FCC RTF Order"), set forth the methods by which rural carriers could disaggregate the federal universal service support they receive for high-cost loop support, long-term support, and local switching-support. Following the RTF Order the FCC released an Order on November 8, 2001, in CC Docket Nos. 00-256, 96-45, 98-77 and 98-166 (the "FCC MAG Order") prescribing methods by which rural carriers could disaggregate funds to be received beginning July 1, 2002 from a new federal support mechanism, the Interstate Common Line Support ("ICLS").

Both FCC Orders required each rural carrier to choose, by May 15, 2002, one of the following three options: to average its federal support on a per-line basis for the carrier's entire study area (Path 1); to disaggregate and target federal support to multiple levels below a wire center (Path 2); or to self-certify that its disaggregation plan complies with a prior regulatory determination or establishes no more than two cost zones per wire center (Path 3). The FCC's Orders further specified that a Path 1 election could be effected by simply notifying the state commission of its election; a Path 2 election required state commission review and approval; and a Path 3 election could be effected by the carrier certifying that the proposed disaggregation plan complies with a prior regulatory determination or establishes no more than two cost zones per wire center.

On January 29, 2002, the Commission conducted a prehearing conference in this Cause. The purpose of the prehearing conference was to establish a procedural schedule for rural carriers who chose either Path 2 or Path 3 to prefile evidence explaining how they would disaggregate the federal support they receive for high-cost loop support, long term support, local switching support and ICLS support. A Prehearing Conference Order was issued on February 6, 2002 establishing an April 26, 2002 evidentiary hearing date for Path 2 applications. The Prehearing Conference Order recognized that Commission approval of a Path 3 election is not required, but also noted that the FCC's RTF Order permits the Commission (or any interested party) to seek modification of a Path 3 disaggregation plan. In light of this possibility, the

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Prehearing Conference Order preserved the option of an April 26th hearing on Path 3 elections, in the event an interested party or the Commission had concerns with a Path 3 proposal.

Pursuant to notice, duly published as required by law, an evidentiary hearing was convened on April 26, 2002, at 10:00 a.m. in the Commission's offices to address the application for approval of a Path 2 disaggregation plan proposed by Northwest Indiana Telephone Company ("NITCO"). An Order is being issued today in NITCO's subdocket, Cause No. 42067-DEL-38, approving NITCO's proposal.

Also on April 26, 2002, the Commission opened the record in this generic cause, Cause No. 42067, to discuss the Path 3 electing carriers. The presiding officer noted that, although the February 6, 2002 Prehearing Conference Order identified five rural carriers that had elected Path 3, two of those carriers subsequently changed their elections to Path 1, leaving only three carriers with a Path 3 election. Those Path 3 carriers are Communications Corporation of Indiana, Communications Corporation of Southern Indiana, and Monon Telephone Company. Counsel for those three carriers appeared at the April 26, 2002 hearing, and pointed out that all three carriers prefiled with the Commission the specifics of their Path 3 disaggregation plans on April 1, 2002, and then prefiled on April 23, 2002 responses to questions that had been submitted by Harold Rees of the Office of Utility Consumer Counselor on April 18, 2002. The presiding officer acknowledged the receipt of both parties' prefilings and indicated that based on the information presented, and in the absence of any request for a hearing seeking the modification of the Path 3 disaggregation plans, the Commission saw no need to hold hearings in the respective subdockets for those three Path 3-electing rural carriers. Because Commission approval of a Path 3 election is not required by the FCC's Orders, the Commission will make no finding approving the Path 3 proposals of the three rural carriers. Nevertheless, the Commission does acknowledge that the filed materials appear to satisfy FCC requirements and raise no concerns requiring additional Commission scrutiny.

The Commission earlier indicated in its February 6, 2002 Prehearing Conference Order that Path 1 certification could be accomplished by filing a copy of Attachment D from the Consolidated Order issued by this Commission in Cause Nos. 42067 and 420785 (issued on August 22, 2001). Upon reviewing the Attachment D filings that have been submitted to the Commission by Path 1-electing carriers, and in light of the findings above regarding the three Path 3 rural carrier elections, the Commission now determines that Attachment A to this Order correctly indicates the Path 1 rural carriers that have certified their election to the Commission; that it also correctly indicates the Path 3 electing companies that have filed information satisfying the FCC's self-certification requirements; and that it correctly indicates this Commission's approval of the Path 2 disaggregation plan of NITCO (which was approved today in Cause No. 42067-DEL-38).

The Commission further finds, pursuant to the FCC's MAG Order, that all rural carriers should apply Interstate Common Line Support in a manner consistent with their respective elections.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Commission hereby certifies to the Universal Service Administration Corporation ("USAC") that the Path 1, Path 2, and Path 3 elections of the rural carriers listed in Attachment A to this Order have all satisfied the state filing requirements set forth in the FCC's RTF and MAG Orders and related rules.

2. The Commission's Secretary is instructed to send a copy of this Order to USAC.

3. The Commission's Secretary is instructed to send a copy of this Order to all rural ILECs operating in Indiana.

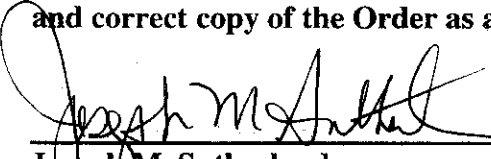
4. This Order shall be effective on and after the date of its approval.

MCCARTY, HADLEY, SWANSON-HULL AND ZIEGNER CONCUR; RIPLEY ABSENT:

APPROVED:

MAY 08 2002

**I hereby certify that the above is a true
and correct copy of the Order as approved.**



Joseph M. Sutherland
Secretary to the Commission

Attachment A
Cause No. 42067

Company	Disaggregation Election	Subdocket Number
Bloomington Home TeleCo	Path 1	DEL-8
Camden Telephone Co.	Path 1	DEL-7
CenturyTel of Central IN	Path 1	DEL-9
CenturyTel of Odon	Path 1	DEL-10
Citizens Telephone Co.	Path 1	DEL-11
Clay County Rural	Path 1	DEL-12
Comm. Corp. of Indiana	Path 3	DEL-3
Comm. Corp. Southern IN	Path 3	DEL-4
Craigville Telephone Co.	Path 1	DEL-13
Daviess-Martin County Rural	Path 1	DEL-30
Frontier Comm. Of Indiana	NECA Avg. Pool- no election required	DEL-14
Frontier of Thorntown	Path 1	DEL-15
Geetingsville Telephone	Path 1	DEL-16
Hancock Telecom	Path 1	DEL-33
Home Telephone Co.	Path 1	DEL-6
Home Telephone of Pittsboro	Path 1	DEL-5
Ligonier Telephone Co.	Path 1	DEL-29
Merchants & Farmers	Path 1	DEL-36
Monon Telephone Co.	Path 3	DEL-17
Mulberry Coop. Telephone Co.	Path 1	DEL-18
New Lisbon	Path 1	DEL-19
New Paris Telephone Co.	Path 1	DEL-31
Northwestern Indiana TeleCo	Path 2	DEL-38

Perry-Spencer Rural Coop.	Path 1	DEL-32
Pulaski White Telephone	Path 1	DEL-20
Rochester Telephone Co.	Path 1	DEL-35
S&W Telephone Co.	Path 1	DEL-21
Smithville Telephone Co.	Path 1	DEL-1
Southeastern Indiana Rural	Path 1	DEL-22
Sunman Telecom Corp.	Path 1	DEL-23
Swayzee Telephone Co.	Path 1	DEL-24
Sweetser	Path 1	DEL-25
Tipton Telephone Co.	Path 1	DEL-2
Tri-County Telephone Co.	Path 1	DEL-34
Verizon North (f/k/a Contel of the South	Path 1	DEL-40
Washington County Rural	Path 1	DEL-26
West Point Telephone	Path 1	DEL-27
Yeoman Telephone	Path 1	DEL-28